

**Kentucky Exposition Center
Flagship Hotel RFP**

**Solicitation number
FH08012006**

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Section 10 - Administrative Overview

Section 10.000-Purpose

This Request for Proposal (RFP) is being issued for the purpose of:

KSFB is seeking a qualified developer or development team for the construction of a three or four star "Flagship" hotel located on the Kentucky Exposition Center property in Louisville KY.

Section 10.010 - Issuing Office

The KSFB Agent named below shall be the **sole point of contact** throughout the procurement process. All communications, oral and written (regular, express, or electronic mail, or fax), concerning this procurement shall be addressed to:

Jerry Frantz
937 Phillips Lane
Louisville, KY 40209
502-367- 5252
502-367- 5270
jfrantz@ksfb.ky.gov

From the issue date of this RFP until a Developer's is selected and the selection is announced, Offerors are not allowed to communicate with any KSFB Staff concerning this RFP except:

- The KSFB Agent cited in this RFP
- KSFB representatives during the Developer's Conference; or
- Via written questions submitted to the KSFB Agent

For violation of this provision, the KSFB shall reserve the right to reject their proposal response.

Section 10.020 - RFP Terminology

For the purpose of this RFP, the following terms may be used interchangeably:

- * Proposer, Developer, Offeror, Contractor, Provider, or Vendor
- * KSFB Agent, Buyer, Purchaser, or Contract Officer
- * RFP, Solicitation, or Procurement
- * Bid, proposal, or offer
- * KSFB of Kentucky, KSFB, or State
- * Fiscal Year will be defined as the KSFB fiscal year: July 1 through June 30
- * Contract Year will be based on construction timetable
- * KSFB – Kentucky State Fair Board
- * KEC – Kentucky Exposition Center
- * GM – General Manager

Section 10.030 - Developer's Conference

The Developer's Conference will be held as cited in this RFP. This Conference will be held at the Kentucky Exposition Center VIP Board Room at 10:00 am August 15, 2006. **Attendance is *highly encouraged***, as this will be the only opportunity to ask oral questions. The KSFB shall not be bound by oral answers to the questions presented at the Conference or oral statements made at any other time by any member of the KSFB's staff. Salient questions asked at the Developer's Conference and the responses will be reduced to writing and issued in an Addendum that shall be posted on the KSFB website. First set of written questions may be mailed in or presented at Developer's conference. Developer's will be allowed to do a walk through on this date after the Developer's conference ends.

Section 10.040 - Questions Regarding this RFP

In addition to the opportunity to present oral questions at the Developer's Conference, developers are encouraged to submit written questions. The deadline for written questions is August 15, 2006. Questions will not be accepted after the Developer's Conference. Oral questions will not be accepted at any time other than the Developer's Conference. The KSFB will respond to salient questions in writing by issuing an Addendum to the Solicitation.

Section 10.050 - Access to RFP and Addendum

Notice to vendors:

The KSFB is posting bid opportunities in Microsoft Word format. This will allow developers utilizing Microsoft Word to complete the bid, print and mail to the Issuing Agency as indicated on the Solicitation. This capability also allows the document to be edited. Developers are cautioned that changes made to the solicitation other than in the designated fields for response shall render the response invalid and result in rejection of the bid.

Responses that include terms and conditions not in conformity with the terms and conditions of the RFP as issued shall be rejected.

In the event of any conflict or variation between the solicitation or modification as issued by the KSFB and the vendor's response, the version as issued shall prevail.

END OF SECTION 10

Section 20 - Background

Section 20.000 – Kentucky State Fair Board

The Kentucky State Fair Board (KSFB) is an agency of the Commonwealth of Kentucky. The KSFB's primary use is to hold local, regional, national and international events to include, but not limited to: fairs, conventions, consumer and trade shows, conferences, community functions, banquets, meetings, seminars, sporting events, concerts, and other special events. www.ksfb.ky.gov

Section 20.010 Kentucky Exposition Center

This agency includes the following facility as it may currently exist: The Kentucky Exposition Center (KEC), which is located in Louisville KY. KEC is located across from the Louisville International Airport.

The Kentucky Exposition Center (KEC) provides facilities and services for conventions, trade shows, agricultural activities, athletic contests, concerts, and cultural and commercial productions year-round. At this site the Board also produces its own three major expositions during the year; the Kentucky State Fair, The National Farm Machinery Show, and the North American International Livestock Exposition. It is home to five of America's Top 25 Trade Shows.

KEC is a completely air-conditioned complex that includes 1.2 million square feet of exhibit and meeting space at ground level. It includes the 19,000-seat Freedom Hall Coliseum, a West Exhibit Hall, a West Exposition Wing, the South Wing Exposition Facility and Conference Centers, a smaller exposition pavilion, a 5,000-seat Livestock and Horse Show Arena, and a 37,000-seat stadium. Also serving the Kentucky Exposition Center are the adjacent Executive Inn, Executive West, Executive Bowl, Hilton Garden Suites, Sleep Inn, and the Kentucky Kingdom Amusement Park, all of which are long-term lessees of the State Fair Board.

Authorized in HB 267, the Appropriations Bill of the 2005 General Assembly was the \$55,000,000 East Hall/East Wing reconstruction project. Construction began in spring 2006 and the project is expected to be completed in the Fall of 2007. The 250,000 square feet of new space will mirror the South Wing Complex.

All told, the 450-acre property offers more than 1.2 million square feet of climate-controlled space, along with two arenas and one stadium that can accommodate over 73,000 visitors. Other features include 300 acres of outdoor demonstration space, 45 meeting rooms and on-site, full-service catering. The Exposition Center is located adjacent to the Louisville International Airport with immediate access to Interstates, I-65 and I-264 and quick connect to I-64 and I-71.

KEC-New and Repeat Business:

National Recreational Vehicle Industry Association Trade Show
The Mid-America Trucking Show
International Construction and Utility Equipment Expo
International Lawn, Garden and Power Equipment Expo
The Street Rod Nationals
Midwest Manufactured Housing Federation Expo
National Quartet Convention
National Farm Machinery Show and Tractor Pull
The Great North American RV Rally
North American International Livestock Expo
Distributive Education Clubs of America
American Public Works Assn
International Association of Fire Chiefs
National Houseboat Expo
Church of God Prophecy
National Fishing Lure Collectors Club
Many others too numerous to list.....

2004

Total Events = 243

69% Repeat Business
31% New Business

Attendance

January	249,658
February	518,432
March	184,656
April	182,963
May	97,658
June	30,225
July	253,814
August	670,377
September	146,278
October	105,145
November	219,879
December	<u>193,331</u>

Totals 2,852,416

2005

Total Events = 281

Repeat Business = 68%
New Business = 32%

January	215,019
February	482,659
March	165,765
April	166,643
May	94,122
June	34,196
July	105,445
August	691,071
September	147,000
October	141,228
November	249,891
December	<u>196,481</u>

2,689,520

<http://www.kyfairexpo.org/media/publications.ihtml>

Section 20.020 - Louisville Metro Overview

The Greater Louisville region is a 24 county area with diverse landscapes from the urban bustle of downtown Louisville to the rolling horse farms in the outer counties. Located just 600 miles from two-thirds of the U.S. population in the heart of the United States, Louisville is all about access. Whatever you need you can find it easily.

Louisville is a leader in business growth. Consider a few of the community's recent rankings:

- 20th in the nation as a desirable location for business expansion or relocation (Expansion Management Magazine).
- #9 on the list of the Top 20 Hot Headquarters Cities for the 21st Century (Business Facilities).
- 15th in the U.S. on Entrepreneur Magazine's Best Cities for Entrepreneurs list
- One of the Top 20 Best Places to Raise a Family (Homebuilder.com)

Now the 16th largest city in the U.S. after Louisville merged city and county governments in 2003 and was the first city in the U.S. to do so in over 35 years. This government merger provides an environment that facilitates business growth and development. Home to three Fortune 500 companies and headquarters for the UPS international air operations Louisville's economy has grown at a rate over 3.5% in recent years.

You don't have to go far to see why this community has been named one of the best places to relocate a family. From downtown Louisville's newest entertainment district, 4th Street live! And the new Muhammad Ali Center; to Louisville Slugger Museum and the world-renowned Churchill Downs, home of the Kentucky Derby, Louisville is a place that embraces the quality of life as well as the quality of doing business.

Interesting Facts

- Tourism is the State's second largest private employer
- Tourism is the third largest service industry in Jefferson County
- Louisville, Kentucky is home to over 90 attractions, 17,000 hotel rooms and 2,500 restaurants.
- Louisville has the 5th busiest cargo airport in the United States.
Sales tax collected in Kentucky is 6 percent.
Louisville has the 10th busiest airport in the world.
The hotel occupancy tax collected in Jefferson County is 15.01.
Louisville is the 16th largest city in the United States.
- The average number of daily passenger departures from Louisville International Airport is 100.
- There are 386 square miles in the Louisville Metro area
- There are 26,000 jobs supported by the tourism industry in Jefferson County
- The population of Louisville metropolitan statistical area (in 2000) is 1,025,598
- Tourism generates \$200 million in state and local taxes annually
- \$658 million is being spent to improve or build new tourism infrastructure in Louisville in (2003-2006)
- The economic impact of direct visitor spending in Jefferson County is \$1.1 billion

www.greaterlouisville.com

www.gotolouisville.com

END OF SECTION 20

Section 30 - Scope of Work

Section 30.000 Project Opportunities

The Kentucky State Fair Board is seeking a qualified developer or development team to develop a first class Three or Four Star Flagship property hotel adjacent to the Kentucky Exposition Center (KEC). The hotel should include a minimum of 600 rooms, to serve the KEC's growing event and convention market.

The project will be eligible for the Kentucky Tourism Tax Credit, a rebate of project generated sales taxes up to 25% of the project cost. To achieve eligibility for this incentive, the project must be constructed on a State-leased or owned land and must be physically connected to the recently expanded Kentucky Exposition Center (KEC). The Kentucky Tourism Development Act provides an incentive for developers of approved new or expansion tourism projects by allowing them to recover 25% of the cost of the project. The Kentucky Revenue Cabinet will annually return to developers of approved projects the state sales tax paid by visitors to the attraction on admission tickets, food and gift sales, and lodging costs. The Developer has ten years to reach the 25% threshold. A summary and the complete text of the Kentucky Tourism Development Act are attached as an appendix to this document or web site address.

A specific site has been identified for the project. The Kentucky Tourism Development Act requires the hotel to physically connect to the KEC. The potential development area is defined as that which is immediately adjacent to the KEC. The potential development site is described in Section 30.005.

The hotel proposal must meet both the selection criteria and development considerations described later in this RFP. Developers must submit a full financing proposal, development time-table and schematic design renderings, showing the build-out of the specific development proposal.

As a headquarters convention hotel, the hotel must regularly dedicate a significant portion of its rooms to confirmed (KEC) conventions. Specific terms of such an arrangement will be negotiated as part of the final lease agreement.

An Evaluation Team will recommend a development proposal to the Kentucky State Fair Board. (See Section 60.080)

Section 30.005 – Development Site(s)

Parcel Name: 1

North: 5739-6755	East: 4963.680
Line Course: S- 49-09-34 W	Length 518.96051256
North 5400.2980	East: 4570.4576
Line Course: S 18-52-55 E	Length: 406.72268694
North: 5015-4621	East: 4702.0809
Line Course: N 49-13-08E	Length: 598.80728891
North: 5406.5857	East: 5155.5040
Line Course: N 30-00-58W	Length: 384.68066162
North: 5739.6748	East: 4963.0700

Perimeter: 1909.17115003 Area: 211,028 sq. ft. 4.84 acres

Mapcheck Closure – Uses listed courses, radii, and deltas)

Error Closure: 0.0021	Course: S 71-35-18 E
Error North: -0.00067	East: 0.00200
Precision 1: 909,129.119061900	

Parcel Name: 2

North: 5739.6755	East: 4963,0680
Line Course: S-49-09-34 W	Length: 518.96051256
North: 5400.2980	East: 4570.4576
Line Course: N 18-57-23 W	Length: 241.94568085
North: 5629.1220	East: 4491.8619
Curve Length: 51.58885118	Radius: 135.30490940
Delta: 21-43-07	Tangent: 25.95581882
Chord: 50.98205442	Course: N 23-12-39 E
Course In: S 77-38-574 E	Course Out: N 55-55-47 W
RP North: 5600.1788	East: 4624.0349
End North: 5675.9778	East: 4511.9550
Line Course: N 37-38-04 E	Length: 42.14728441
North: 5709.3552	East: 4537.6910
Curve Length: 147.25998636	Radius: 219.71220029
Delta: 37-24-07	Tangent: 76.51555683
Chord: 144.51821718	Course: N 61-09-32 E
Course In: S048-02-32 E	Course Out: N 09-38-25 W
PR North: 5562.4592	East: 4701.0773
End North: 5779.0690	East: 4664.2839
Curve Length: 291.14975489	Radius: 545.54821749
Delta: 30-34-40	Tangent: 149.13110496
Chord: 287.70632349	Course: S 86-11-25 E
Course In: S 11-28-45 E	Course Out: N 19-05-55 E
RD North: 5244.4333	East: 4772.8543
End North: 5759.9528	East: 4951.3549
Line Course: S 30-00-58 E	Length: 23.41874095
North: 5739.6749	East: 4963.0700
Perimeter: 1316.16907726	Area: 95,584 sq. ft. 2.19 acres

Mapcheck Closure – (Uses listed courses, radii, and deltas)
Error Closure: 0.0021 Course: S 73-49-49 E
Error North: -0.00059 East: 0-00202
Precision 1: 626.748.00533333

Section 30.010 – Flagship Hotel Development

A. Flagship Hotel Facility

It is the desire of the KSFB to develop a Flagship Hotel facility at the Kentucky Exposition Center as referenced in this RFP. The facility shall consist of the following spaces and features:

- A minimum of 600 well-appointed guest rooms. A percentage of the total rooms shall be ADA compliant: exact quantity to be confirmed per code requirements. Offerors will provide a proposal for the breakdown of the room mix and size of rooms by category.
- Indoor swimming pool
- Exercise room with state-of-the-art equipment; locker room; whirlpool and sauna
- Lobby/front desk, including concierge and bell stations
- Restaurant space with separate lounge/bar, Banquet/Meeting Room Space
- Well lit paved automobile parking with landscaped islands
- Utilities
- Other facilities necessary to support the lodging facility, including the following:
 - Office and Administrative Areas
 - Housekeeping areas, including laundry facilities
 - Kitchen and related food service areas
 - Receiving and storage areas
 - Mechanical equipment and utility area

B. Level of Quality for Facilities and Service

The Hotel's construction, furnishings and service levels are to be at a minimum consistent with and equal to the American Automobile Association's "Four Diamond" rating. Criteria for this rating may be found in AAA's publications "Diamond Rating Guidelines" and "Requirements for Recommendation, Lodging and Restaurants" at www.aaanewsroom.net. The completed hotel shall be capable of achieving and receiving the AAA Four Diamond rating within two years of opening, and this rating shall be maintained at all times thereafter.

C. Site Design Goals

A primary site design goal for the Project shall be to integrate the hotel buildings and facilities into the Project. The Project's location adjacent to the KEC required the hotel facility to be sensitive and compatible with the unique construction and design of the Exposition Center. The following criteria shall be met in the final site design of the hotel Project:

- The selected site is located adjacent to the KEC See Attachment "4" for photographs of the proposed site(s) A proposal using only Parcel One (1) is mandatory. Optional and in addition to the KSFB is interested in receiving a second proposal outlining the developers proposed use of both Parcel one (1) and Parcel two (2) if Parcel two (2) should be made available for the project.
- Automobile parking area must be convenient to hotel entry and guest rooms. Parking area will be paved, marked and lighted and contain at least 500 automobile spaces and adequate bus spaces. Parking areas shall be well lit and shall have landscaped islands. Large uninterrupted parking areas and parking structures are discouraged.
- Pedestrian access between the Project and the South Wing Conference facilities shall be incorporated as well as a method of controlling access, which shall be developed and coordinated with the KEC staff. (See 30.010 paragraph N)
- All signage shall be coordinated with the KEC staff.
- Well landscaped and manicured grounds, which shall include landscaping and appropriate site amenities.
- An entrance off Phillips Lane (separate from KEC all site utilities and landscaping related to the Project.
- All site utilities for the project shall be installed underground.
- Walkways in vicinity of hotel shall comply with ADA requirements.

D. Architectural Design Goals

A primary architectural goal of the project shall be to create a design which shall be compatible with, and integrated within, the existing facilities of the KEC, and to create a comfortable environment with the unique characteristics of a Flagship Hotel.

E. Interior Design

The lobby of the hotel must be ADA compliant, spacious and inviting with attractive conversational grouping of furnishings. It must have access to public restrooms, public telephones, a gift/sundry shop, and be designed to abate noise not only from the dining facility but also from the nearby airport.

Guest Rooms

1. Overall General Requirements: All guest rooms shall meet the following minimum requirements:
 - a. Meet or exceed the requirements for a "Four Diamond" rating in the AAA's publications "Diamond Rating Guidelines" and "Requirements for Recommendation, Lodging and Restaurants"
 - b. Must have individually controlled HVAC
 - c. Must be of soundproof construction, with a minimum 57 STC rating
 - d. Must have an electronic lock, a deadbolt lock and a one-way 180 degree viewer on entrance doors.
 - e. Must have an unkeyed deadbolt lock on patio or balcony doors.
 - f. Must have an unkeyed deadbolt lock on the inside of both doors between any connecting rooms.
 - g. Must have access to latest technology high speed internet access, either wired, wireless or both in each guest room.

F. Restaurant and Food Service

The restaurant facility should be consistent with a 600 room Flagship hotel. It is the responsibility of the offeror to design and construct the Dining and Kitchen space in a manner appropriate for a facility of this quality and scale.

G. Lounge/Bar

A separate lounge/bar shall be provided. Seating at the bar as well as at tables shall be provided. The proposer shall be responsible for obtaining all necessary permits and approvals for liquor sales.

H. Gift Shop

The shop should be sized appropriately for a Flagship hotel of this size and the type and quality of merchandise being displayed and sold.

The inclusion of Kentucky-made products, including arts and crafts is encouraged

I. Exercise Room

This room shall be appropriately sized and furnished to serve the Flagship hotel. It shall be well lit and ventilated and furnished with state-of-the-art gym and exercise equipment. The quantity, selection and arrangement of the gym equipment shall be appropriate for the anticipated usage. This room shall also have a audio/video system. A whirlpool and sauna shall also be provided with shower, toilet, and changing areas nearby.

Swimming Pools

An appropriately sized indoor pool and surrounding deck shall be provided. Shower, changing and toilet areas shall be provided nearby (these may also serve the Exercise Room). Pools shall be adequately protected and secured to prevent unauthorized or unsupervised access.

J. Warehouse/Maintenance Area

The warehouse/maintenance area is dependent on the offeror's business practices and can be located within the project or in a separate building.

K. Entrance

It will be the responsibility of the offeror to provide and pay for entrance allowing accessing to and from the project. This responsibility includes, but is not limited to, obtaining all necessary easements and rights of way from the various private, local, state and federal government agencies if required. All expenses and costs resulting from the granting and installation of such easements and rights of way will be borne by the successful offeror.

L. Pedway

It will be the responsibility of the offeror to provide and pay for a pedway and entrance into the South Wing Conference Center. This responsibility includes, but is not limited to, obtaining all necessary easements and rights of way from the various private, local, state and federal government agencies if required. All expenses and costs resulting from the granting and installation of such easements and rights of way will be borne by the successful offeror. The new Pedway is to tie into the existing structural steel in SWC Lobby.

M. Utilities

It will be the responsibility of offeror to obtain and pay for all utilities for the construction and development of the project. This responsibility includes, but is not limited to, obtaining all necessary easements and rights of way from the various private, local, state and federal government agencies if required. All expenses and costs resulting from the granting and installation of such easements and rights of way will be borne by the successful offeror.

P. Demolition

The developer will be responsible for demolition of the existing structures located on the property as well as the removal of all unused and abandoned underground utilities from the structures to the property lines. The developer will be responsible for an environmental survey of the structures to be demolished and for any and all abatements. The developer must meet all local, state and federal codes while demolishing and removing from site all the structures. The developer is to furnish the KSFB a certified study showing the plan of storm water removal and flow from the site. This plan is to be reviewed by the Louisville Metropolitan Sewer District. The scheduling of all demolition work is to be approved by KEC.

Q. Exception to Height Restrictions

F.A.A. Form 7460-1 has been completed and submitted.

END OF SECTION 30

Section 40 - Terms and Conditions

Section 40.000 - Beginning of Work

The Developer shall not commence any work until a valid lease has been executed as discussed in Section 40.010.

Section 40.010 - General

The lease between the Kentucky State Fair Board and the offeror shall consist of (1) the Request for Proposals (RFP and any addenda thereto), (2) the offeror's proposal submitted in response to the RFP, and (3) a lease from the Ky State Fair Board to the offeror (the "Lease") In the event of a conflict in language between the documents referenced above, the provisions and requirements set forth and/or referenced in the RFP shall govern. All written addenda and supplements shall take precedence over the documents they modify.

In the event that an issue is addressed in one document that is not addressed in the other document, no conflict in language shall be deemed to occur. However, the Kentucky State Fair Board reserves the right to clarify any lease relationship in writing with the concurrence of the offeror and such written clarification shall govern in case of conflict with the applicable requirements stated in the RFP or the offeror's proposal. In all other matters not affected by the written clarification, if any, the Request for Proposals shall govern.

Section 40.020 - Changes and Modification to the Lease

No modification or change of any provision in the lease shall be made, or construed to have been made unless such modification is mutually agreed to in writing by the offeror and the Kentucky State Fair Board, and incorporated as a written amendment to the lease prior to the effective date of such modification or change. Memoranda of understanding and correspondence shall not be construed as amendments to the lease.

The lease shall be construed and interpreted according to the laws of the Commonwealth of Kentucky. Any legal proceedings against the Commonwealth regarding this RFP or any resultant lease shall be brought in Commonwealth of Kentucky administrative or judicial forums. Venue will be in Franklin County.

Section 40.030 – Commencement of Construction

As soon as practicable, but no more than thirty (30) days after the award of this RFP, subject to reasonable extensions for good cause shown, the successful offeror shall submit a comprehensive work plan, including a time line, for the development of all plans and specifications as well as the actual construction of the project and to obtain all necessary approvals of all local, state and federal regulatory agencies, if required.

Substantial completion of the construction is expected to be achieved within fifteen (15) months from the date of the approval of the work plan and commencement of the project's construction. The base revenue payment schedule shall take effect at this time barring any unforeseen circumstances. Construction is anticipated to be January 2008.

Construction of the Project must be commenced within the approved schedule, and which shall include review and approval by all local, state and federal government agencies. The Kentucky State Fair Board will agree to a reasonable extension of time for providing the designated facilities and services when a delay in providing the facilities and services is beyond the control of the offeror. The offeror will not be authorized to construct, erect, or place any structure or other facility upon the premises, or to make any major alteration to an existing structure or facility without the prior written approval of the KSFB. Requests for same shall be made in writing to the KSFB.

Should the offeror, after commencing the construction/development phase of the project, abandon or any reason fail to complete the facility, title to all materials or improvement on the premises shall immediately vest in and become the property of the KSFB. The offeror may not remove the structures, improvements, and equipment erected or placed upon the leased premises without the approval of the KSFB. Upon approval from the KSFB to remove any structures, improvements, or equipment placed upon the premises, the offeror must repair any damage to the premises resulting from the removal of the structures, improvements, or equipment.

If the contractor finds at any time that existing conditions made modification of the contract necessary, it shall promptly report such matters to the President and CEO of the KSFB.

Section 40.040 - Changes in Scope

The KSFB may, at any time by written order, make changes within the general scope of the project. No changes in scope are to be conducted without the approval of the KSFB through the process described in Section 40.020

Section 40.050 - Lease Conformance

If the KSFB determines that deliverables due under the Lease resulting from this Solicitation are not in conformance with the terms and conditions of the Lease and the mutually agreed-upon project plan, the President and CEO, may request the Developer to deliver assurances in the form of additional resources and to demonstrate that other major schedules will not be affected. The KSFB shall determine the quantity and quality of such additional resources and failure to comply may constitute default by the Developer.

Section 40.060 - Performance Bond

The Developer shall furnish a performance bond satisfactory to the KSFB in an amount of at least five hundred thousand dollars (\$500,000) as security for the faithful performance of the construction. The bond shall incorporate by reference the terms of the lease as fully as though they were set forth verbatim in such bonds. In the event the lease is amended, the penal sum of the performance bond may be increased by like amount.

The initial bond shall be submitted to the KSFB within 30 days of execution of this contract. Any required amendment to the bond shall be submitted to the KSFB within 30 days of said amendment.

Section 40.070 - KSFB Property

The Developer shall be responsible for the proper custody and care of any KSFB-owned property furnished for Developer's use in connections with the performance of this construction. The Developer will reimburse the KSFB for its loss or damage, normal wear and tear excepted.

Section 40.080 - Insurance

The Developer holds and saves the KSFB harmless from all loss, expense or damage of every kind or nature whatsoever, including reasonable attorneys' fees, which may be sustained or incurred by the KSFB by reason of any act or omissions on the part of the Developer, its employees and agents.

The Developer further covenants and agrees to procure and maintain, at the Developer's sole cost, workers compensation insurance, builders risk Insurance, fire and extended coverage insurance in an amount equal to the full replacement cost of the equipment and improvements and to maintain comprehensive general liability insurance in a combined single limit of at least ten million dollars (\$10,000,000.00) with respect to injury, illness or death to any person or persons or damage to property. Such policies shall provide that the KSFB is an additional named insured and that the policies cannot be modified or cancelled without thirty (30) days advance written notice to the KSFB. The policy or certificate evidencing the policy shall be filed with the President and CEO of the KSFB.

Section 40.090 - Confidentiality of Contract Terms

The Developer and the KSFB agree that all information communicated between them before the effective date of the Lease shall be received in strict confidence and shall not be necessarily disclosed by the receiving party, its agents, or employees without prior written consent of the other party. Such material will be kept confidential subject to KSFB and Federal public information disclosure laws.

Upon signing of the Lease by all Parties, terms of the Lease become available to the public, pursuant to the provisions of the Kentucky Revised Statutes.

The Developer shall have an appropriate agreement with its Subcontractors extending these confidentiality requirements to all Subcontractors' employees.

Section 40.100 - Permits, Licenses, Taxes and KSFB Registration

The Developer shall procure all necessary permits and licenses and abide by all applicable laws, regulations, and ordinances of all Federal, State, and local governments in which work under this Lease is performed.

The Developer shall maintain certification of authority to conduct business in the Commonwealth of Kentucky during the term of this Lease. Such registration is obtained from the Secretary of State, who will also provide the certification thereof. However, the Developer need not be registered as a prerequisite for responding to the RFP. Additional local registration or license may be required.

The Contractor/Developer shall be responsible for paying all state, federal and local, including but not limited to, ad valorem, taxes assessed against the project.

Section 40.110 - Liens Against the Leased Premises

No facility constructed shall be deemed a public improvement within the meaning of KRS 376.210 et. Seq. Nothing in this RFP shall in any way be deemed or construed as constituting an order or request by the KSFB expressed or implied, to any contractor, subcontractor, supplier, materialman or laborer, for the performance of any labor or the furnishing of any materials for the construction or maintenance of any improvement on, alternations to, or other improvements of the leased premises; nor as giving the offeror any right, power or authority to grant for or permit the rendering of any services or furnishings of any materials that would give rise to the filing of any mechanic's liens against the KSFB's property or the offeror's leasehold interest therein.

Furthermore, the offeror shall not suffer or permit any mechanic's or materialman's lien to be filed against the KSFB property or the offeror's leasehold interest in the leased premises by reason of work, labor, services or materials supplied or claimed to be supplied to the offeror. If a mechanic's or materialman's lien shall be filed against the leased premises or the offeror's leasehold interest at any time, the offeror shall cause the same to be discharged and released of record within thirty (30) days after the notice

of filing competent jurisdiction or otherwise. If the offeror, in good faith, disputes the validity or correctness of any such lien, then it may refrain from paying or causing the same to be discharged of record, but it shall diligently proceed to initiate and conduct appropriate proceedings to determine the correctness or validity of such lien. The offeror shall not be deemed to be in default under this RFP while such proceedings of litigation are being conducted in good faith by it. However, if the offeror fails to cause any such lien to be discharged within the period aforesaid, or fails to contest the same as provided above, then the offeror shall be deemed to be in default of the lease which shall be a basis for termination of said lease.

Section 40.120 – Revenue Payable to the KSFB

Offeror shall propose a minimum annual payment to the KSFB, based on gross receipts, for the proposed hotel called for in this solicitation as well as for additional guest rooms proposed by the offeror over and above the minimum 600 guest rooms. This base revenue shall be due quarterly in equal payments to the KSFB.

In addition to the base revenue amount payable to the KSFB, offerors shall pay a percentage of gross receipts, above the minimum, to the KSFB on an annual basis for the corresponding period of years indicated in the offeror's response.

Gross Receipts

"Gross Receipts" shall mean the sale of all merchandise or services sold or rented in, on or from the premises by the offeror whether for cash or on a charge, credit or time basis, including, but not limited to, revenue received from (I) gross amount paid to offeror for room rentals less travel agency commissions paid, (II) sale of food and beverages of all kinds, including sales through vending machines owned by the offeror, (III) gross amount paid to offeror for conference center/meeting room rentals, (IV) sale of souvenirs, novelty items, and any other products, (V) sale of any and all services.

The following items shall be excluded from "Gross Receipts"

1. Any sales tax, gross receipts tax, or similar tax or the amount of which is determined by the amount of the sale made, and which offeror may be required to account for to any governmental agency but not ad valorem tax;
2. Credits or refunds made to customers for merchandise returned or exchanged;
3. Sales of trade fixtures or personal property after use thereof in the conduct of offeror's business in the premises;
4. All sums and credits received in settlement of claims for loss or damages to merchandise or property owned by offeror.
5. Discounts to customers for goods sold or privileges granted (the amount to be excluded from gross receipts shall be the difference between the amount received for goods sold or privileges granted and the offeror's current price to the public.)

6. All credit sales written off as bad debts, provided, however, that if subsequent payments are made in these accounts, the amounts so collected shall be included in gross receipts;
7. Refunds or credits from returned merchandise or property used in the operation of the premises;
8. Interest income.

Section 40.130 – Hold Harmless

The offeror shall indemnify and hold harmless the KSFB from any and all claims, demands, damages, actions, costs, including attorney fees, and injury to any person or property or loss of life or property resulting from or in any way connected with the character, condition or use of the leased premises or any means of ingress thereto, or egress therefrom, or resulting from the offeror's operations on the leased premises, unless such injury or loss arises directly from the negligence of the KSFB, any of their departments or agencies, or officers or employees while acting within the scope of their employment.

The offeror shall, at its own expense, assume defense of such claims and a actions for damages arising out of such injuries or losses which may be brought against the KSFB by third persons; and shall pay such judgments that may be rendered in such actions, unless such claims or actions for damages and/or judgments arise directly from the negligence of the KSFB, any of its departments or agencies, or any of its officers, agents or employees while acting within the scope of their employment.

Section 40.140 – Attorney's Fees

In the event that either party deems it necessary to take legal action to enforce any provision of the RFP, and in the event the KSFB prevails, the offeror agrees to pay all expenses of such action, including attorney's fees and costs at all states of litigation as set by the court or hearing officer.

Section 40.150 – Notices

All notices under the RFP shall be either mailed by registered or certified mail addressed, or hand delivered, to the receiving party. The customary receipt shall be conclusive evidence of such service.

Section 40.160 – Offer of Gratuities

By submission of proposal, the offeror certifies that no member of or delegate of Congress, nor any elected or appointed official or employee of the Commonwealth of Kentucky has or will benefit financially or materially from this procurement. Any lease arising from this procurement may be terminated by the KSFB if it is determined that gratuities of any kind were either offered to or received by any of the aforementioned officials or employees from the offeror, his agents, or employees.

Section 40.170 –KSFB Property

1. The offeror shall be responsible for the proper care and custody of any KSFB property furnished for the offeror's use in connection with the performance of the lease. This responsibility includes the repair and/or replacement due to loss, damage, or negligence, normal wear and tear expected.
2. The developer should construct an 8' tall plywood fence around the Hotel Construction site with construction gates off Phillips Lane. This fence is to be painted and maintained by the Hotel General Contractor throughout the construction process. It shall not permit gates for the construction site into KEC.

Section 40.180 – Conflict of Interest

No official or employee of the KSFB or no other public official of the Commonwealth of Kentucky who exercises any functions or responsibilities in the review of approval of the undertaking or carrying out of the project shall, prior to the completion of the project, voluntarily acquire any personal interest, direct or indirect, in the lease or proposed lease.

Section 40.190 – Construction Bonds

Offeror shall execute a surety bond or bonds in favor of the KSFB in the amount of one hundred percent (100%) of the designated amount of the project as security for the faithful performance of the construction required and the payment of all persons who have and fulfill subcontracts which are directly with the offeror. The offeror shall, before beginning the construction/development of facilities, require of any subcontractor employed by the offeror to construct said facilities, a surety bond or bonds in a form satisfactory to the KSFB. These bonds shall protect the leased premises against the imposition of mechanics and materialsman's liens and guarantee performance of the construction subcontract. All bonds shall be executed by a surety company authorized to do business in the Commonwealth.

Section 40.200 – Construction/Development (Plan Approval)

1. All construction/development plans will be submitted to and must have prior approval of the KSFB before construction/development is commenced. The drawings and the specifications shall be stamped with the Kentucky registration seal of the professional involved in the design.
2. When required by state law, construction/development plan approval must be obtained from the Department of Housing, Building and Construction. All fees shall be the responsibility of the offeror. This regulatory agency will review drawings for plumbing, fire marshal compliance, ADA accessibility and Kentucky Building code regulations. Proof of this approval must be provided to the KSFB before commencement of construction and operation. Upon completion, copies of all permits and certificates shall be submitted to the KSFB, along with "as built" plans.
3. The KSFB may also make compliance inspections to ensure that the facility is being constructed in a manner that provides a safe and healthy environment. This inspection will also ensure that preventative maintenance is being performed that will extend the life and usability of the facilities to its maximum potential. Inspection reports will be prepared with a definite deadline for correction of any stated deficiencies.

Section 40.210 – Protection of Work, Property, Employees, and Public

The offeror shall continuously maintain adequate protection of all his/her work from damage and shall protect the KSFB property from injury or loss arising in connection with this construction. Offeror shall make good any such damage, injury, or loss. Offeror shall adequately protect adjacent property as provided by law and the lease documents.

The offeror shall take all necessary precautions for the safety of employees on the work site and shall comply with all applicable provisions of the state's workers' compensation laws and all federal, state and municipal safety laws and building codes to prevent accidents or injury to persons on, about or adjacent to the premises where the work is being performed. The offeror shall designate a responsible member of his/her organization on the work as safety officer, whose duty shall be to enforce safety regulations. The name and position of the person so designated shall be reported to the architect by the offeror.

The offeror shall be responsible for the protection and subsequent repair of adjacent property during the course of construction from any potential damage caused by the construction and development of the hotel property.

Section 40.220 – Employment Practices

The offeror shall not discriminate against any employee or applicant for employment because of race; color, religion, sex, national origin, age (except as provided by law), marital status, political affiliation, or disability. The offeror must take affirmative action to ensure that employees, as well as applicants for employment, are treated without discrimination because of their race, color, religion, status, political affiliation, or disability. Such action shall include, but is not limited to, the following: employment, promotion, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation and selection for training, including apprenticeship. Offeror agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provision of this clause.

The offeror shall, in all solicitations or advertisements for employees placed by or on behalf of the offeror, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, national origin, and the implementing rules and regulations prescribed by the Secretary of Labor and with Title 41, Code of Federal Regulations, Chapter 60. The offeror shall comply with related Commonwealth laws and regulations.

The offeror shall comply with regulations issued by the Secretary of Labor of United States in Title 20, Code of Federal Regulations, Part 741, pursuant to the provisions of Executive Order 11 785 and the Federal Rehabilitation Act of 1973. The offeror shall comply with the Civil Rights Acts of 1964 and any amendments thereto, and the rules and regulations thereunder, and Section 504 of Title V of the Vocational Rehabilitation Act of 1973 as amended and the Kentucky Civil Rights Act.

Section 40.230 – Rite of Entry

The right is hereby reserved to the KSFB, its officers, agents and employees, to enter upon the leased premises at reasonable times to inspect the premises, operation and equipment, or for any purposes in connection with work necessary to the benefit of the KSFB.

Section 40.240 – Termination – General Terms

Any lessee who is determined to be in breach of any of the terms and conditions of an agreement with the KSFB, shall be declared in default and the lease may be terminated.

Termination notice. The KSFB shall terminate a lease by written notice to the lessee. The notice to the lessee shall be sent certified mail, return receipt requested, and shall state:

- a) The lease is being terminated for default by the contractor;
- b) The effective date of termination;
- c) The extent of termination; and
- d) Any special instructions.

Section 40.250 – Termination for Default

The KSFB may terminate a lease because of the lessee's failure to perform the lease terms. If a lessee is determined to be in default, the KSFB shall notify the lessee of the determination in writing, and may include a specified date by which the lessee shall cure the identified deficiencies. The KSFB may proceed with termination if the lessee fails to cure the deficiencies within the specified time.

A default in performance by a lessee for which a lease may be terminated shall include, but shall not necessarily be limited to:

- a) Failure to perform the lease according to its terms, conditions and specifications;
- b) Failure to make delivery within the time specified or according to a delivery schedule fixed by the contract.
- c) Late payment or nonpayment of bills for labor, materials, supplies, or equipment furnished in connection with a contract for construction services as evidenced by mechanics' liens filed pursuant to the provisions of KRS Chapter 376, or letters of indebtedness received from creditors by the purchasing agency;
- d) Failure to diligently advance the work under a contract for construction services;
- e) the filing of a bankruptcy petition by or against the lessee; or
- f) Actions that endanger the health, safety or welfare of the Commonwealth or its citizens.

The KSFB shall not be liable for any further payment to a lessee under a lease terminated for the lessee's default after the date of termination as determined by the purchasing officer except for commodities, supplies, equipment or services delivered and accepted on or before the date of termination and for which payment had not been made as of that date. The KSFB may require the lessee to transfer title and deliver to KSFB completed supplies and manufacturing materials. The lessee, and his surety, if a performance or payment bond has been required under the lease, shall be jointly and severally liable to the KSFB for all loss, cost or damage sustained by the KSFB as a result of the lessee's default. A lessee's surety liability shall not exceed the final sum specified in the contractor's bond.

The lessee shall be liable to the KSFB for any excess costs incurred in acquiring supplies and services similar to those terminated for default, and for any other damages or remedies available either at law or in equity.

Lessee responsibilities. After receipt of the notice of termination, the lessee shall take all steps necessary to minimize waste, including:

- Stop work immediately on the terminated portion of the lease;
- Terminate all subcontracts related to the terminated portion of the prime lease;
- Immediately advise the KSFB of any special circumstance precluding the stoppage of work;
- Perform the continued portion of the lease;
- Take action to protect and preserve property in the lessee's position in which the KSFB has or may acquire an interest, and, if directed by the KSFB, deliver the property to the KSFB;
- Promptly notify the KSFB in writing of any legal proceedings resulting from any subcontract or other commitment related to the terminated portion of the lease;
- Settle outstanding liabilities and proposals arising out of the termination; and
- If there is a terminated construction contract, ensure the cleanup of the site, protection of serviceable materials, removal of hazards, and other actions necessary to leave a safe and healthful site.

Section 40.260 – Procedure on Termination

Upon delivery by certified mail to the offeror of Notice of Termination specifying the nature of the termination, the extent to which performance of work under the agreement is terminated and the date upon which such termination becomes effective, the offeror shall stop work under the agreement on the date indicated and to the extent specified in the Notice of Termination.

Section 40.270 – Force Majeure

The Offeror will not be liable to the KSFB if failure to perform the agreement arises out of causes beyond the control and without the fault or negligence of the offeror. Such causes may include, but are not restricted to, acts of God, fire, quarantine restriction, strikes and freight embargoes. In all cases, the failure to perform must be beyond the control and without fault or negligence of the offeror. The offeror will take all possible steps to recover from such occurrences.

END OF SECTION 40

Section 50—Procurement Process and Requirements

Section 50.000—Rules of Procurement

To facilitate this procurement, various rules have been established. They are described in the following paragraphs.

Section 50.010—Independent Price Determination

A proposal shall not be considered for award if the financial arrangement in the proposal was not arrived at independently without collusion, consultation, communication, or agreement as to any matter relating to such arrangement with any other Offeror or with any competitor. In addition, the Offeror is prohibited from making multiple proposals in a different form.

Section 50.020 – Certified Statement

The Offeror must include a certified statement in the proposal that the proposed financial arrangement was arrived at without any conflict of interest, as described above. Should conflict of interest be detected any time during the contract, the contract shall be null and void and the Developer shall assume all costs until such time that a new Developer is selected.

Section 50.030—Cancellation of This Solicitation

This Solicitation may be canceled at any time and for any reason, or all bids or proposals rejected, if it is determined in writing that such action is in the best interest of the KSFB. Receipt of proposal materials by the KSFB or submission of a proposal to the KSFB confers no rights upon the Proposer nor obligates the KSFB in any manner.

Section 50.040—Cost of Preparing Proposal

Costs for developing the proposals are solely the responsibility of the Offerors. The KSFB will provide no reimbursement for such costs.

Section 50.050—Waiver of Minor Irregularities

The KSFB reserves the right to waive minor irregularities in proposals providing such action is in the best interest of the KSFB Board.

Where the KSFB may waive minor irregularities, such waiver shall in no way modify the RFP requirements or excuse the Offeror from full compliance with the RFP specifications and other lease requirements if the Offeror is awarded the lease.

Section 50.060—Clarifications of Proposals

The KSFB reserves the right to request clarification of proposals.

Section 50.070—Rules for Withdrawal of Proposals

Prior to the date specified for receipt of offers, a submitted proposal may be withdrawn by submitting a signed written request for its withdrawal to the Agency Contact Person.

Section 50.080—Disposition of Proposals

All proposals become the property of the KSFB. The successful proposal will be incorporated into the resulting lease by reference. Disposal of unsuccessful proposals shall be at the discretion of the Agency Contact Person.

Section 50.090—KSFB's Right to Use Proposal Ideas

The KSFB shall have the right to use all system ideas, or adaptations of those ideas, contained in any proposals received in response to the RFP. Selection or rejection of the proposal will not affect this right.

Section 50.100—Proposal Submission Requirements

Proposals shall be submitted in **two (2) parts**: 1) the technical proposal and 2) the Financial proposal. The format and content of each are specified in Sections 50, 60, and 70.

RFP response shall include one (1) marked original and seven (7) copies of the Technical Proposal under sealed cover and one (1) marked original and three (3) copies of the Financial Proposal under separate sealed cover. Any information submitted in accordance with Section 50.200—Vendor Response and Proprietary Information shall include two (2) copies and be sealed separately and included with the technical proposal. Additional copies of Proprietary Information will be requested if deemed necessary by the KSFB. The bidder shall also provide two (2) 3.5" floppy disks or CD's containing the technical proposal response in Microsoft Word 7.0 or higher format and two (2) 3.5" floppy disks or CD's containing the Financial Proposal in Microsoft Excel 7.0 or higher format. **DO NOT PUT PROPRIETARY INFORMATION IN THE ELECTRONIC COPIES.** A certification shall be provided indicating the diskette/CD has been properly scanned for infected viruses, stating the virus software and version used. Should differences be determined to exist between the hardcopy proposal and the electronic version, the hardcopy shall prevail. All copies must be received **no later than September 15, 2006 4:00 pm.** Any proposal received after this date and time will be rejected and returned unopened to the Offeror.

Each qualified Offeror shall submit only one (1) proposal. Alternate proposals will not be allowed. Failure to submit as specified may result in the proposal's rejection.

The developer must complete the "Developer" box on the face of the Solicitation by indicating the vendor name, address, telephone number, fax, and email address. The developer must indicate the ownership type. The vendor must complete the "Additional Developer Information" by indicating the **FEIN#** and the date on the face of the Solicitation was completed. An authorized representative of the developer shall sign where indicated on the face of the Solicitation.

Proposals shall be submitted to:

Jerry Frantz
Kentucky State Fair Board
937 Phillips Ln
Louisville KY 40209

The outside cover of the package containing the technical proposal shall be marked:

NAME OF RFP
SOLICITATION NUMBER: S-_____
TECHNICAL PROPOSAL
Name of Offeror

The KSFB will accept all proposals properly submitted. However, the KSFB reserves the right to request necessary amendments, reject any or all proposals in whole or in part, reject any proposal in whole or in part that does not meet mandatory requirements or cancel this RFP, according to the best interest of the KSFB.

Unless requested by the KSFB, the KSFB may not accept any addenda, revisions, or alterations to proposals after the Solicitation closing time and date.

All submitted proposals shall remain valid for a minimum of six (6) months after the proposal due date.

Section 50.110—Format of Technical Proposal

The Technical Proposal must be arranged and labeled in the manner set forth below. Failure to arrange and label your submittal in this manner may result in rejection of your proposal.

A. Proposal

1. Transmittal letter that includes the requirements of **Section 50.120 - Transmittal Letter** and is signed by a duly authorized officer of the Developer's organization.
2. Completed and signed face of the Solicitation.
3. Signed face of all Addenda, if applicable.
4. Violation of Statutes Disclosure Form, if applicable.
5. A Statement of Deviation, if applicable.
6. Response to technical portion of the RFP.

Section 50.120—Transmittal Letter

The transmittal letter shall be on the developer's letterhead and signed by an agent authorized to bind the developer. The transmittal letter shall include:

1. A statement that deviations are included, if applicable.
2. A statement that proprietary information is included, if applicable.
4. A sworn statement that the developer has not knowingly violated any provisions of the campaign finance laws.
5. A sworn statement of that the developer is in compliance with Section 50.140—Prohibitions of Certain Conflicts of Interest.
7. A statement of certification in accordance with Section 50.150—Certification Regarding Debarment, Suspension, and Proposed Debarment.

Section 50.130—Format of Financial Proposal

The Financial Proposal must be submitted under separate cover from the Technical Proposal and must be labeled in the manner set forth below. Failure to submit the Financial Proposal under separate cover may result in rejection of your proposal. Failure to arrange the Financial Proposal and label in the prescribed manner may result in rejection of your proposal.

The outside cover of the package containing the Financial proposal shall be marked:

NAME OF RFP
SOLICITATION NUMBER: S-_____
FINANCIAL PROPOSAL
Name of Offeror

Section 50.140—Prohibitions of Certain Conflicts of Interest

The Developer represents and warrants, and the KSFB relies upon such representation and warranty, that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of its services. The Developer further represents and warrants that in the performance of the lease, no person, including any subcontractor, having any such interest shall be employed.

The Developer agrees that it shall not knowingly allow any official or employee of the KSFB who exercises any function or responsibility in the review or approval of the undertaking or carrying out of this RFP to voluntarily acquire any ownership interest, direct or indirect, in the lease prior to the completion of the lease and any extensions.

Section 50.150—Certification Regarding Debarment and Suspension

The Developer shall certify, in the Transmittal Letter (see Section 50.130), that to the best of its knowledge and belief, the Developer and/or its Principals is (are) not presently debarred, suspended, proposed for debarment, or declared ineligible for the award of leases by any State or Federal agency.

"Principals", for the purposes of this certification, means officers, directors, owners, partners, and persons having primary management or supervisory responsibilities within a business entity (e.g., general manager, plant manager, head of subsidiary, Office, or business segment, and similar positions).

Section 50.160—Disclosure of Violation of Statutes

Required Report of Prior Violations of Tax and Employment Laws information and forms is available at: <http://www.state.ky.us/agencies/adm/mars/KRScertform.doc>

Developers are required to reveal final determinations of violation of certain statutes incurred within the last five years and be in continuous compliance with those statutes during the lease. Where applicable, the Developer is required to complete and submit Report of Prior Violations of Tax and Employment Laws with the Technical Proposal. The Report of Prior Violations of Tax and Employment Laws Form is available on the E-Procurement Directory under the "Developer Information" area, "Standard Attachments and General Terms" section, "Standard Attachments Page". The Report of Prior Violations of Tax and Employment Laws form is listed under Attachment #11.

Section 50.170—Developer's Exceptions to Terms and Conditions of the Solicitation (Section 40)

An offer in response to this Solicitation that includes terms contrary to the terms and conditions in Section 40 of the Solicitation or takes any exceptions to the terms and conditions of Section 40 will be considered non-responsive and will be rejected by the KSFB. Purchase or Sales Agreements, supplied by the developer making an offer, in reply to the Solicitation, shall not be accepted.

Section 50.180—Deviations to Other Provisions of the Solicitation

The provisions appearing elsewhere in this Solicitation shall become a part of any resulting lease. Any deviations from the provisions of the Solicitation must be specifically identified by the developer in its proposal, which if successful, shall become part of the lease. Such deviations shall not be in conflict with the basic nature of Technical requirements of this Solicitation. Deviations must be submitted as stated in Section 50 of this Solicitation. The KSFB reserves the right to reject any and/or all deviations in whole or in part. **Deviations to the Terms and Conditions set forth in Section 40 of this Solicitation shall not be accepted.**

Section 50.190—Developer Response and Proprietary Information

The RFP specifies the format, required information, and general content of proposals submitted in response to the RFP. The KSFB will not disclose any portions of the proposals prior to lease award to anyone outside the KSFB, representatives of the agency for whose benefit the lease is proposed, representatives of the Federal Government, if required, and the members of the evaluation committees. After a lease is awarded in whole or in part, the KSFB shall have the right to duplicate, use, or disclose all proposal data submitted by Developers in response to this RFP as a matter of public record.

Informational areas which normally might be considered proprietary **shall be limited to individual personnel data, customer references, selected financial data, formulae, and financial audits** which, if disclosed, would permit an unfair advantage to competitors. If a proposal contains information in these areas that a Developer declares proprietary in nature and not available for public disclosure, **the Developer shall declare in the Transmittal Letter (Section 50.130) the inclusion of proprietary information and shall noticeably label as proprietary each sheet containing such information.** Proprietary information shall be submitted under separate sealed cover marked “Proprietary Data”. Proposals containing information declared by the Developer to be proprietary, either in whole or in part, outside the areas listed above may be deemed non-responsive to the RFP and may be rejected.

The KSFB shall have the right to use all system ideas, or adaptations of those ideas, contained in any proposal received in response to this RFP. Selection or rejections of the proposal will not affect this right.

END OF SECTION 50

Section 60.000 Technical and Financial Proposal Evaluation

Section 60.000 – General Information

The selection process is being conducted in Two (2) Phases.

Section 60.010 – Phase One

Phase 1 is to evaluate the technical and financial proposals, with the objective of reducing the number of respondents to a short list of three-(3). Phase 2 submittal requirements are listed in Section VII of this RFP.

RFP response shall include one (1) marked original and seven (7) copies of the Technical Proposal under sealed cover and one (1) marked original and three (3) copies of the Financial Proposal under separate sealed cover.

The outside cover of the package containing the Technical proposal shall be marked:

Kentucky State Fair Board
Re: Flagship Hotel
937 Phillips Lane
Louisville, KY 40209
Technical Data/Submittal Phase 1
Solicitation No. _____
Name of Respondent

The outside cover of the package containing the Financial Data Submittal shall be marked:

Kentucky State Fair Board
Re: Flagship Hotel
Louisville, KY 40209
Financial Data/Submittal Phase 1
Solicitation No. _____
Name of Respondent

Section 60.020 – Evaluation Committee

The KSFB will conduct a comprehensive evaluation of proposals received in response to this Request for Proposals. This evaluation will be conducted by a committee comprised of representatives from the KSFB and other resources. Items to be given specific attention during the evaluation process are as follows:

- Narrative of design intent and approach to the Project
- Financial -including, but not limited to, the offeror's ability to provide financial backing for the Project
- Background and relevant experience, including references Management structure proposed for the Project and number of staff offeror proposes to utilize in operating the Project
- Revenue payable to the Kentucky State Fair Board
- Benefit to be derived by the KSFB.

THE SUCCESSFUL OFFEROR'S PROPOSAL DOCUMENTS WILL BECOME PART OF ANY FINAL LEASE AGREEMENT. ALL ITEMS LISTED MUST BE THOROUGHLY ADDRESSED IN YOUR WRITTEN PROPOSAL.

Section 60.030 – Narrative of Design Intent

This document shall clearly and succinctly describe the offerors approach to this Project. Issues such as design intent, management approach, coordination with and benefits to the KSFB, and short and long-term goals of the hotel and development should, at a minimum be addressed.

Section 60.040 – Corporate Background and Experience

The corporate background and experience section shall include from the offeror: details of the background of the offeror, date established, ownership (public company, partnership, subsidiary, etc.), company resources, details of company experience relevant to the proposed development. List, if any, current or past hotel conference center and restaurant complex operations developed/constructed/managed by the company. (Note: if the proposal is submitted by an individual, the same type of information will be required.) References from previous customers that had projects similar in design and scope to this project are to be included.

Should the proposal be submitted by a corporation or business venture formed solely for the purpose of responding to this RFP, the above information shall be submitted for each individual within the said corporation, business venture or partnership.

Section 60.045 – Project Team

The proposal should clearly identify the project manager (if this person or entity is different from the general firm, a statement about the management firm, its qualifications and experience should also be included), any consultants or subcontractors anticipated to be utilized, and how their roles are to be distinguished from participants having an administrative or ancillary role.

Section 60.050 – Financial Information

The offeror shall provide:

1. An audited financial statement for each of the last three years must be provided for the applicable legal entity submitting a proposal. This statement should, at a minimum, list all assets and liabilities and be certified by a registered certified public accountant who is not an officer of the company or individual submitting the proposal. Offeror should also include a statement of changes of financial position of the business entity within the last three- (3) years.
2. A current (unaudited) financial statement.
3. Bank references for the company shall be provided including name, address, and current telephone number of the given financial institution: This should include a signed authorization for release of financial information from each bank listed.
4. A description of the proposed financing plan including, but not limited to, source of credit, terms of credit and repayment schedule. Source of credit will identify credit for construction, as well as, long term financing of structures.

Section 60.060 – Phase Two

As, indicated in the Project Description component/section of this Request for Proposals, the selection process is being conducted in Two (2) Phases.

Once the short list of three is determined, up to three (3) respondents will be required to submit an oral presentation. See Section 70.

Section 60.070 – Scoring and Project Award

The evaluation team will perform scoring of the proposals by “consensus,” Phase I and then Phase 2, the Short List of three (3). The Team will select a chairman who will provide leadership and manage the activities and process of the Committee.

- The KSFB reserves the right to ask any offeror for clarification, and/or additional information as may be required to carry out the evaluation process.

Scoring Criteria for Phase One Technical Proposal

Project Narrative/Development Concept	300 max points
Design/Build/Operate/Architect/ Team Management	200 max points
Background/Capability to Perform	150 max points
Design/Build/Operate/Manage Team Past Performance/Experience	100 max points
Hotel Chain Affiliation	100 max points
Project Staff/Organization Structure	50 max points
References	50 max points
Benefit to be derived by KSFB	50 max points
Total Maximum Points	1000 max points

Scoring Criteria for Phase One Financial Proposal

Financial Proposal Scoring

Criteria	Points Possible
Offeror's Financial Stability	100
Minimum Payment and Percentage of gross sales to KSFB	300
Total Points Possible for Cost Proposal	400

The Evaluation Team will score each criteria and indicate a total score. A "consensus" score from the Team will be calculated.

The Respondents with the three (3) highest total scores will make up the Short List of three (3).

RFP Schedule of Activities

RFP Released	August 1, 2006
Developer's Conference	August 15, 2006
Proposal Closing Date/Time	September 15, 2006 4:00pm, E.D.T.

Section 70 - Oral Presentations/Demonstrations

Section 70.000 - Right to Reject Based on Oral Presentations/Demonstrations

The KSFB reserves the right to reject any or all proposals in whole or in part based on the Oral Presentations/Demonstrations.

Section 70.010 – Oral Presentation Criteria

Oral presentations will be required of the Short List of three (3) design/build/operate/manage teams/respondents. Cost for oral presentations will be the responsibility of the three (3) design/build/operate/manage respondents. Date and time of oral presentations will be determined by the KSFB Agent. Oral presentations will be one (1) hour in length with an additional thirty minutes for questions from the committee.

Section 70.010 - Oral Presentations Scoring

Criteria	Points Possible
Hotel Development Demonstration	200 max points
Financial Strategies	100 max points
Previous Experience	100 max points
Total Points Possible for Oral Presentations/Demonstrations	400 max points

Section 80.000 – Negotiations

The KSFB reserves the right to negotiate a lease with the selected developer for this project.

END OF RFP